

Supplemental Security Income (SSI)

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What Is SSI?

SSI is a supplemental program to the Social Security system that provides modest financial assistance for people who are unable to work enough to meet their basic needs, including older adults with low or no Social Security or pension income, and younger people with significant disabilities.

How Much is the Benefit?

The maximum possible federal monthly benefit for an individual in 2024 is \$943. Married couples who are both on SSI receive \$1,415. Some states kick in a small monthly supplement, but in most of the country, the monthly benefit amount for a single individual requires recipients to live below the federal poverty line.

Who Receives SSI?

Approximately 8 million Americans rely on a monthly Supplemental Security Income (SSI) benefit to pay for their basic needs including rent, food, transportation, utilities, and healthcare co-pays. SSI is only available to those who qualify due to limited assets and who are unable to work enough to meet their basic needs.

- Approximately two-thirds of older adults receiving SSI payments are women.
- One out of three older adults applying for SSI has a primary language other than English.

How Is SSI Different From Social Security?

Social Security (OASDI) is financed by the FICA tax on employment income, and eligibility and benefit amounts are based on work history. Unlike Social Security, SSI is needs based and is not tied to employment history. Examples of older adults who may qualify for SSI include an 80-year-old low-income retired couple with unexpected medical costs who are facing homelessness, a 50-year-old person who is blind, with no savings, and a 70-year-old single woman with little to no Social Security benefits.

Why Does SSI Need an Update?

SSI was signed into law in 1972. Since then, the income and eligibility rules have changed little and the program is no longer fulfilling its promise of keeping seniors and people with disabilities from living in poverty. Today's SSI recipients cannot make ends meet and increasing numbers of older Americans and people with disabilities face severe deprivation and often are hungry and sometimes become homeless.

What Updates Would Improve SSI for Eligible Older Adults and People with Disabilities?

- Increase the benefit rate to at least 100% of the Federal Poverty Level, as adjusted annually, so that no one receiving SSI will be left to live below the poverty line. Currently the federal benefit level for an individual is less than 75% of the poverty level.
- Increase the amount of money an SSI recipient can receive from other non-employment sources (such as Social Security or a pension) without suffering a dollar for dollar reduction in the SSI benefit from \$20 a month to \$149 to reflect the increase in the cost of living. This is called the general income disregard and needs updating because today's \$20 is equivalent to \$3 in 1972.
- Increase the amount of money a recipient can earn from work, without suffering a reduction in benefits, from \$65 a month to \$486. This is called the earned income disregard. Today's \$65 is worth less than \$11 in 1972 money.
- Repeal a provision that results in drastically reduced benefits when a recipient receives help with food or shelter (even from family members). This is called the In-Kind Support and Maintenance Rule.
- Increase the amount of money recipients can save for emergencies such as home or car repairs from \$2,000 for an individual and \$3,000 for a couple to \$10,000 and \$20,000 respectively. This is called the resource limit and it has only increased by one-third since 1972, even though the cost of living today is more than 5 and a half times what it was then.
- Remove the marriage penalty for couples by increasing the SSI couples rate to equal two times the individual rate.
- Both the general income disregard and earned income disregard would be adjusted for inflation using the Consumer Price Index for Elderly Consumers (CPI-E).
- Repeal the transfer penalty, which unfairly penalizes people with up to three years of ineligibility if they transfer a resource.
- Repeal a rule requiring separate dedicated accounts for children receiving SSI, which made it more difficult for guardians and parents to access money needed for their child's care.
- Eliminate installment payment requirements so that SSI recipients who have been waiting for months, or even years, to obtain their benefits are not forced to wait even longer to receive the full overdue amount.
- Increase the time allowed for individuals to spend lump-sum and certain other payments from 9 months to 21 months so that individuals receiving retroactive or other large payments have additional time to spend down to the resource limit, open an ABLE account, or establish a special needs trust.
- Exclude retirement accounts from countable resources to allow people with disabilities to build up their savings for retirement and use those resources to pay for expenses in later life.
- Conform treatment of state and local government earned income tax credits, tribal benefits, and child tax credits by excluding them from consideration in the same manner as federal tax payments.